

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Missouri-American)
Water Company's Request for Authority to)
Implement A General Rate Increase for)
Water and Sewer Service Provided in its)
Missouri Service Area.)

File No. WR-2015-0301

ORDER DIRECTING RESPONSE REGARDING RECONCILIATION

Issue Date: August 12, 2016

Effective Date: August 12, 2016

The Commission issued a report and order, effective June 25, 2016, that allowed Missouri-American Water Company to modify its rates for water and sewer service. The Commission denied applications for rehearing regarding that report and order on July 20.

Section 386.420.4, RSMo (Cum. Supp. 2013), requires the Commission to cause to be prepared a detailed reconciliation containing the dollar value and rate or charge impact of each contested issue decided by the Commission, as well as the customer class billing determinants used by the Commission to calculate the approved rates and charges. On July 20, the Commission directed its Staff to prepare and file the required reconciliation by August 1.

On August 1, Staff filed a response to the Commission's order that did not include the required reconciliation. Staff explained that because the parties had resolved all revenue requirement issues by stipulation and agreement, no items remain to be reconciled between the parties and as a result no reconciliation can be prepared. Staff contends the rate design issues that were addressed in the Commission's report

and order cannot be reconciled, but only compared. Further, such exact comparison is not possible without the identification of specific rate design proposals for comparison.

For twelve days, no party responded to Staff's filing. Then, on Friday, August 12, at 2:26 p.m., the Office of the Public Counsel filed a reply to Staff's August 1 response. Public Counsel notes that section 386.420.4, RSMo (Cum. Supp. 2013) requires the Commission to approve such a detailed reconciliation in every case in which new rates are established. New rates were established in this case, and section 386.510 (Cum. Supp. 2013) requires any party wishing to appeal the Commission's determination to include such a reconciliation as part of its notice of appeal. Public Counsel does not address Staff's arguments about its ability to prepare a reconciliation in the circumstances of this case, but notes that its notice of appeal must be filed by August 19. Public Counsel asks the Commission to order Staff to file the required reconciliation no later than August 16 to enable the parties to provide written input on the reconciliation and to attach the approved reconciliation to any notice of appeal.

Section 386.420 contemplates that the parties will cooperate in the preparation of whatever reconciliation is required by law. Therefore, the Commission will direct Staff, Public Counsel, and any other interested parties to discuss these matters and to cooperate in filing either whatever form of reconciliation is appropriate in the circumstances of this case, or an explanation of why no such reconciliation is possible.

THE COMMISSION ORDERS THAT:

1. The Commission's Staff shall file either whatever form of reconciliation is appropriate in the circumstances of this case, or an explanation of why no such reconciliation is possible no later than August 16, 2016.
2. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Morris L. Woodruff, Chief Regulatory
Law Judge, by delegation of authority
Pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 12th day of August 2016.